GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:645
ANSWERED ON:18.11.2016
Banks Seized Property against NPAs
Chavan Shri Harishchandra Deoram;Choudhary Shri Ram Tahal

Will the Minister of FINANCE be pleased to state:

(a) whether the banks seized/taken possession of property belongs to Non-Performing Assets;
(b) if so, the details of property seized/recovered/taken possession by banks during the last three years and current year, bank and state-wise; and
(c) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) and (b): Yes Sir, the banks seized/take possession of property under SARFAESI Act. The details of properties seized/recovered/taken possession by banks during the last three years and current year is as under:
NUMBER OF PROPERTY SEIZED/ SYMBOLIC/ PHYSICAL POSSESSION TAKEN DURING THE LAST THREE YEARS AND CURRENT YEAR

	2013-14	2014-15	2015-16	Jun-16
PUBLIC SECTOR BANKS	37,903	54,060	64,519	33,928

Source: PSBs,
Note: State-wise information is not available.

(c) The Insolvency and Bankruptcy code (IBC) has been enacted and Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) and The Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Act have been amended to improve resolution/recovery of bank loans viz.
SARFAESI Act:
(i) The provision has been added that the DM/CMM shall dispose-off application moved by secured creditor under section 14 of the Act, within a period of thirty days.
(ii) The mortgage of property cannot be redeemed after the publication of notice for public auction.
(iii) The jurisdiction for filing Securitisation applications before DRTs have also been inserted to minimise the dispute on this point.
(iv) DRTs have been given jurisdiction to settle any claim in respect of secured assets.

RDDBFI Act:
(i) After service of summons, the defendant shall not transfer any secured assets without prior approval of the Tribunal.
(ii) Specific time period has been provided for different stages of the original application filed by banks and financial institution.
(iii) It has been inserted that every effort shall be made by Tribunal to complete the proceedings in two hearings.

The Government has recently issued advisory to banks to take action against guarantors in event of default by borrower since in the event of default; the liability of the guarantor is co-extensive with the borrower.

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